

MERCHANTS WARN AGAINST BONUS AS HANDICAP TO PROSPERITY

Headings of Republican members of Congress.

Congress Is Uneasy.

The President's letter provoked a condition in both wings of the Capitol building to-day that was at times exciting, frequently farcical and always provocative of humor. Never were distinguished statesmen so near the verge of panic as those who continued to clamor for the bonus scheme despite the mounting waves of resentment from the entire country. The prizes and penalties involved are so stupendous as to provide all the distressing elements of a hideous nightmare.

The country generally is against the bonus raid. The greatest volume of protest ever received in Congress on any subject proves it beyond peradventure. It is significant that a great number of these protests inclose editorials from THE NEW YORK HERALD pointing out the bad business, lack of common sense and injustice of the organized plan to raid the national Treasury.

Combined with the President's letter, this tremendous outpouring of hostile public sentiment has forced the politicians of the bonus plan on the defensive. They will make a stubborn fight to save the plan at any cost, and the two houses unquestionably would vote for any form of bonus bill, no matter how extravagant, illogical or absurd it might be, if a vote were taken to-day.

May Pass a Bill.

Senators and Representatives who fear the political wrath of the bonus propagandists will go through with every move left open to them, and it is not improbable that a measure will be passed by the lower House and possibly by the Senate. It is quite as probable the President will veto such a bill because it will not carry his sales tax suggestions or present any plan acceptable either to his Government or the people generally.

Evidence that the universal protests against the bonus raid are beginning to exercise a sobering effect on the Congressional mind was furnished in many quarters to-day. Several Senators and Representatives who hitherto have favored the soldier raid on the Treasury indicated a tendency to revise their previous opinions. A great many of these men began to urge the adoption of the President's suggestion that consideration of bonus legislation be postponed until the country is in better shape to stand the financial drain involved.

But the large majority of members in both houses, coerced by threats of reprisals from the professional propagandists, continue to demand the passage of a bonus bill regardless of its financial terms. Their sole interest in it is to exhibit the roll call, which will show that they have voted for the measure. Whether the act becomes a law or not appears to be of little importance in the eyes of most members of Congress.

Senate Favoring Delay.

On the Senate side of the Capitol the sentiment in favor of postponing the bonus legislation seems to be gathering force; on the House side it is just the other way. It was on this side of the national legislature that most of the action and all of the humor in the situation developed.

Members who have been courageous enough to oppose the bonus raid or those who have been converted by the position taken by the President reported to-night that a decided swing—"wobbling" they called it—had set in among the advocates of the scheme. Out of the confused mass of opinion the fact that the bonus dispute has brought about the creation of eight distinct groups or "blobs," as they are styled in the political vernacular of to-day. These in their relative order of importance and numerical strength are as follows:

1. The advocates of a bonus at any price and with any sort of provision for financing, whether logical, feasible or acceptable to the Government and the people or not.

2. The opponents of a bonus in any form, whose strength has grown appreciably since the President's declaration of his position and public opinion began to take such impressively hostile form in every section of the country.

3. The advocates of the postponement policy suggested by the President, whose numbers are also increasing.

Farm Groups Against Tax.

4-Senators and Representatives representing agricultural districts who are for the bonus, but first of all against the sales tax as a means of providing the revenue.

5. The advocates of a sales tax for financing the bonus, generally limited to the Senators and Representatives from industrial sections who regard the method as desirable for general revenue producing purposes.

6. A limited number of Senators and Representatives who still demand that any bonus bill enacted shall provide for the use of interest and principal on the foreign debts, whether it can ever be collected or not.

7. The supporters of the scheme to issue short time certificates or long time bonds to add to the burdens of the taxpayer.

8. The supporters of the suggestion to drop the cash payment method of compensating ex-service men and take up the insurance option plan which would cost the Government \$5,273,000,000 instead of \$1,569,000,000 called for by the cash proposal.

Senators and members who continued to demand that leaders of their respective parties save them from political annihilation at the hands of the bonus propagandists mulled over these projects and many others which suggested "Soviet" behavior without getting anywhere. They got a little reason for comfort in any of the actual steps taken to save the bonus scheme from complete collapse.

Fordney Attempts Rally.

Chairman Fordney of the House Ways and Means Committee, whose activities have caused the Administration and the Republican party a great deal of embarrassment, tried hard to rally the rapidly disintegrating bonus army under the standard of hope that he flouted throughout to-day. It did not take him long to find out that the sales tax plan suggested by the President was opposed

PITTSBURGH'S BUSINESS MEN FIGHT 'BONUS IN ANY FORM'

Special Dispatch to THE NEW YORK HERALD.

PITTSBURGH, Feb. 17.—Acting in direct opposition to the recommendation of the board of directors of the Chamber of Commerce and a special chamber committee appointed to inquire into the soldier bonus question and recommend a course of action to the membership the members of the organization to-day, by a large majority, went on record as "emphatically and unalterably opposed to the passage by Congress of any legislation providing for the payment of a bonus, in cash or any other form, to able-bodied ex-soldiers, or any other able-bodied class in the country."

Adoption of the resolution embodying the foregoing provision came at the close of a discussion in which the majority of the speakers voiced opposition to the cash bonus proposal. B. C. Moise, who presented the resolution, said:

"The politicians who put the bonus measure across, if they succeed in doing it, will be properly punished."

Asserting that the American Legion represents only about one-fourth of the soldiers who served in the world war, he reported having heard many former soldiers remark that they would not join the Legion because, by fostering the bonus plan, it was "trying to prostitute patriotism."

He spoke of the wounded soldiers and dependents of slain soldiers as "solemn charges which must not be neglected," adding that "the record of \$1,541,447,182 already spent by the Government does not show that it has been niggardly or ungrateful."

By practically all of the agricultural groups from both West and South.

The telegraph offices in the House wings were flooded with protests from constituents to their members against the sales tax scheme. Mr. Fordney and his associates on the Ways and Means Committee discussed the situation and tried to give encouragement to their colleagues, who are being harassed by an indignant public on one side and the bonus propagandists on the other by promising that a bonus bill would be forthcoming within the next ten days.

Mr. Fordney added the optimistic assurance that the measure "will be satisfactory to all Republicans and will pass this House." He was careful to say, however, that the Ways and Means Committee did not wish to assume responsibility for a bonus measure and would submit it to a Republican caucus for consideration.

Steady Green Report.

Mr. Fordney's optimism was not based on any development at the postponed meeting of his committee. The chief occupation of the members who participated in it was in going over the report recently prepared by Representative Green of Iowa. This report favors the retention of the five options plan contained in the original Fordney bonus bill, including the provision for payment to ex-service men \$12.5 a day for the time spent in France and \$1 a day for the time spent in the service at home.

John Thomas Taylor, the national agent for the American Legion, who has been directing the fight for the bonus, appeared before the Republican members of the committee to discuss a plan for financing the bonus raid. He declared the executive committee of the Legion committed to the five options plan, which includes the cash feature, and said he had no authority to agree to any departure from this policy. He promised to confer with the officials of the American Legion and communicate their decision to the Ways and Means Committee.

Condemns Secret Meeting.

The conference of Republicans of the Ways and Means members which was held in secret provoked a row in the House later in the day. Representative Garner of Texas, the ranking minority member of the Ways and Means Committee, protested that the Democratic members were excluded from the conference between the Republican members and the representative of the American Legion.

Thereupon the Democratic members, who have been flooded with protests against the bonus from their Southern constituents during the last week, turned to the support of Mr. Garner, and for the first time imparted a political aspect to the matter. In protesting against the secrecy resorted to by Mr. Fordney and his associates Mr. Garner said:

"It was not my purpose during the preliminary consideration on the bonus bill to mention the subject in the House, but a matter has occurred this morning which I think the House is entitled to know about and against which I, for one, want to protest. It is all right for the Republican members of the Ways and Means Committee to have their executive sessions without the Democrats being present. But I want to call the attention of the House to and protest against Republicans having an executive session and calling witnesses in order to determine on legislation pending before the committee. This ought not to be and the House ought to take some action to prevent it, if it need be. It is an outrage against the House of Representatives. It is not fair play. You have no right to have secret sessions and invite representatives of the American Legion or representatives of any other class before you and have them undertake to tell you the class of legislation you shall report without having any one else there."

Mondell Replies.

Mr. Mondell, the Republican leader of the House, in replying to Mr. Garner, said:

"I think the gentleman has been neither moderate nor accurate. He said it has been the practice for a long time, and will be so long as party responsibility is recognized in the House, for the majority members of committees to meet and discuss matters pending before the House. It is not only usual, but it is entirely logical, that they should have any one address them on matters pending. They are unofficial meetings of majority members of the committee."

Mr. Fordney defended his Republican associates on the committee by saying:

"Republican members of the Ways and Means Committee have not thought it wise to call into their confidence men to help prepare that bill who we know were unalterably opposed to a bonus bill. The Ways and Means Committee and other committees have always had experts and other officials before them when the majority members were considering rates in a revenue bill. We had before us this morning a man connected with the American Legion and asked him for expert information, and he gave it, and I will say to the gentleman from Texas that the Republican members of the Ways and Means Committee are at work even now preparing a bonus bill and will present it to a conference of Republican members of this House within ten days. That is what we will do. We are using every honorable effort to prepare that bill, so that when it is presented to the House Republican members of this House will agree with the committee; if not, we want the Republican members to direct Republican members of the Ways and Means Committee how to prepare that bill and how to bring it in here for final action."

McArthur Against Bill.

While the debate over the secret meeting of the Ways and Means Committee was in progress, Representative McArthur, Republican (Oregon), told the newspaper reporters in the lobby that he would not vote for the bonus bill. He says he voted for it two years ago when the conditions of the country were vastly different from those that exist to-day. The American people simply cannot stand additional tax burdens at any time, said Mr. McArthur, because they are already staggering under an enormous burden of indebtedness.

"Further taxation now would mean more unemployment, more industrial depression and more economic disorder," he said. "The country is beginning to see prospects of better business conditions, but these will disappear if Congress passes additional taxes. I am not attempting to pass judgment on the justice of the bonus legislation. But I am unalterably opposed to its consideration under the present circumstances."

The protests against the adoption of a sales tax were piling up on Senators and members to-night. Representative T. C. Atkinson, the Washington representative of the National Grange, personally led the fight against the President's suggestion in the lobbies of both houses.

"The National Grange," Mr. Atkinson said, "is unalterably opposed to the sales tax or to any form of direct consumption tax for the soldier bonus or for any other purpose. If it is worth the cost of a bonus to get the sales tax fastened on the pocket-books of the people, as said by Senator Edge of New Jersey, who should pay the price? The answer is that it is worth it to those best able to pay taxes—the larger and largest income earning people who spend but a part of their income and accumulate the rest of it in places where it will not be subject to a sales tax, or any other tax. The National Grange suggests an excess profits tax."

SEES 'ECONOMIC CRIME' IN TAX LEVY FOR BONUS

Credit Man Deems Sound Finance and Jobs Better.

Special Dispatch to THE NEW YORK HERALD.

CHICAGO, Feb. 17.—J. H. Tregoe, secretary-treasurer of the National Association of Credit Men, addressing members of the Chicago association to-day, said:

"We haven't balanced our national budget, and while we are talking of deficits we are talking of imposing taxes to raise a bonus. It is an economic crime for our Congressmen to consider taxes on this nation for any kind of a bonus whatsoever. I want the nation to get adequate compensation from good, steady jobs, instead of a momentary flush of funds."

"Much of Europe's business depression has been caused by the granting of gratuities, bonuses and other ad hoc compensations in the flush of victory. They have had to make up with their printing presses the great deficiency in their revenue from taxes."

"We have just skirted the edge of a financial cataclysm," continued Mr. Tregoe. "The Federal reserve banking system and our fundamental soundness of mind are saved the nation. Even now we are talking of deficits in our national budget of \$100,000,000, and yet we are considering raising the taxes of the people to pay a bonus."

MERCHANTS OBJECT TO BONUS OR BONDS

Association Wires Protest to Legislators Against Needless Tax.

IT SPEAKS FOR 6,000

Declares Measure Would Greatly Handicap Business at a Serious Time.

GRATUITY CALLED CURSE

American Defense Society

Tells President Harding It Opposes Largess.

Both the Merchants Association and the American Defense Society made formal protest yesterday against bonus legislation. The first named organization telegraphed its views on the subject to Senator McComber and Representative Fordney. The defense society sent its protest to President Harding.

"The Merchants Association, with a membership of 6,000 business houses in the city of New York, representing all lines of industry and trade, earnestly protests against the passage by Congress of legislation providing for the payment of a cash bonus to ex-service men. We believe that a general cash bonus is unnecessary, that it would be extremely expensive to the Government. At a time when the country is struggling under a burden of taxation which constitutes a very serious handicap upon business, it would be a national calamity to impose this new and needless burden."

"This association is strongly opposed to any additional taxation for the purpose stated, especially to a cumulated taxation of selected interests which in many instances would be seriously oppressed by such an excessive tax burden placed upon them."

The objections to a bond issue are equally obvious. The nation must undertake huge refunding operations, which would be made extremely difficult by the issuance of a large body of corporate bonds.

Would Affect Liberty Bonds.

"Interest rates would necessarily be gravely affected and forced upward, which would result in increased loss upon the great volume of Liberty bonds owned by the millions of people."

"Moreover, new issues of bonds to the extent of billions of dollars would withdraw from business pursuits a vast amount of capital urgently needed for the recovery of the country."

In its treatment of former service men the American Legion believes that the Government should be not only just but generous. It advocates ample appropriations efficiently administered for the care of men who have suffered physical injury as a result of the war and for the care of persons who have been made dependent as a result of the war. It also favors adequate vocational training to enable soldiers to help themselves to do so.

"It believes that the distribution of cash would not only be a staggering blow to the business of the country but would prove a curse to the nation. It thinks that the privileges accorded to the recipients of such a gratuity. Individually it would not be a sufficient amount to supply a basis for business activity and in many cases it would be unwisely and would discourage and defer self-help. Unemployed ex-service men need work, not gratuities. They can be best helped by return of general industrial activity and by such legislation as will tend to restore confidence in the world's stability and as will contribute to general increase in industrial employment."

Would Help Injured First.

The American Defense Society's members read the following statement to the President, the White House, Washington, D. C.:

"An indiscriminate distribution of largess to soldiers after a war has been declared is so often the case in so many countries and been productive of such unsatisfactory results, has so conspicuously failed to accomplish any desirable end, that its propriety in any given case can be questioned without fear of accusation of niggardliness or want of appreciation either of their valor or of the gratitude of their country, which is their due. The case of the disabled is a different degree by their service to their land stands on a different footing. Every resource available should be devoted to the care and welfare of the injured and disabled, and as much as is possible should be apportioned among all who served, by so much will it be the more difficult financially to properly protect and suitably sustain those who actually need assistance. Had the country's resources not been squandered by those in power during the war it might have faced the double expenditure with equanimity and cheerfulness. If there be cause of complaint on the part of any able bodied and uninjured ex-service man at not receiving a gratuity, let him look to those who expended in a year and a half what would have sufficed to equip a war for three years and impoverished the land as the authors of the situation."

"All resources which can be deemed available for such uses should be expended in the care of those physically or mentally injured in the war and who, we regret to say, are not receiving their just meed of care and protection, but are being made use of as a political device for the purpose of self-interest and selfishness. Their care, vocational training or other assistance should be placed in charge of their own organizations, with adjunct or supervisory boards appointed from the highest class of citizens."

AMERICAN DEFENSE SOCIETY, BY CHARLES STEWART DAVISON, HONORARY CHAIRMAN, BOARD OF TRUSTEES.

FERNISH'S NEPHEW GETS JOB.

WASHINGTON, Feb. 17.—Appointment of James P. Fernish, Jr., nephew of Gen. Fernish as Assistant Prohibition Director of New York was approved formally to-day by Prohibition Commissioner Hayden after a conference with Prohibition Director Day of New York.

'Political Cowards,' Says Williams of Bonus Men

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Feb. 17.

SENATOR JOHN S. HARRIS

branded the supporters of the bonus bill as "political cowards" in a debate to-day over a measure intended to retire disabled temporary army and navy officers on a basis equal to those of the regular service men.

He made a brilliant appeal for the care of those wounded in battle, contrasting their condition with those who had not suffered.

"I see the bonus bill staring me in the eye," said Senator Williams. "I see a lot of political cowards who are going to vote for it to be re-elected to the House and the Senate."

LEGION MEN WRITE AGAINST BONUS BILL

Continued from First Page.

The privilege of urging you to vote against this infamous outrage."

"Having served a little over seventeen months in France, and at the front, and having been wounded twice, I feel privileged to express myself on the bonus bill. I am a bonus man, but I agree with the stand of that paper and protest against the passage of such a bill."

"My two boys served in the great war and would both benefit by a bonus bill. One of them has expressed himself for against the bill and hopes for its defeat, and while the other is away I believe the bill is the same."

"As an ex-service man, I feel that I should express to you my entire objection to the soldiers' bonus bill. Many of my friends have resigned from the American Legion because of its attitude toward the bonus bill. I agree fully with the stand of that paper and protest against the passage of such a bill."

"The regular service men point out, feel irritated because while they were serving in the ranks men in shipyards and other industries were receiving supposedly higher wages."

In spite of this view the regular service men believe the ex-service men will realize that by accepting the bonus they will be sacrificing the place of advantage they occupy in the public estimation because of disparity in the remuneration, often more imaginary than real. For the ex-service men would be to exchange their proud heritage for a mass of potage."

Their belief that the rank and file of the ex-service army in the field is the result of investigations by them among the various skeleton military organizations which are in touch with the ex-service men everywhere.

The regular service men point out that the American army was paid better than any other army in the field that generous allowances were paid to dependents and that splendid provision has been made to care for the disabled veterans.

To our disabled and crippled soldiers we should give aid and care to the very limit of our needs. But to hand those who returned strong and whole such a fee is degrading to them and should not be tolerated."

As an ex-service man's wife, I am very much opposed to the proposed soldiers' bonus. I believe another additional burden on the taxpayers at this time would be unwise and would work injury to business and the country generally."

"Quiet Part" Against Bonus.

"Just to remind that many ex-service men do not approve of the stand taken by the American Legion. Remember the legion is the noisy part, but the quiet part did the same work during the war and is able now to see that a bonus bill will do the ex-service man no real, lasting good. I was overseas nine months and am opposed to it."

"I see by THE NEW YORK HERALD that within the last few days Congress has been trying to find something to tie up the bonus bill. I wish to protest against this abuse and discrimination which would be created by this act."

I served during the war and am a member of the American Legion. I think that all should be done for the wounded and disabled soldiers, but protest against paying the healthy and uninjured a bonus."

"As one of my sons served eighteen months in the aviation in Italy and France and a daughter served a number of months in the Y. M. C. A., I believe I am entitled to an opinion on the proposed soldiers' bonus. I wish to protest against the bonus, because, in my judgment, the business conditions of the country would not stand any additional tax burden now, no matter how levied."

"As an ex-seaman of the United States navy, I am strongly opposed to the soldiers' and sailors' bonus. I think additional taxes at this time would be unwise and urge that you use your influence against the passage of this bill."

His District Opposes.

"The sentiment in my district is overwhelmingly against a soldiers' bonus. It is true not only of all of the rank and file of the voters, but also the ex-service men of the district."

"I wish to register by protest against the proposed bonus. I feel that the disabled ex-service men should have every assistance, but do not favor awarding a bonus to the strong and healthy."

"As a former service man I desire to express my approval of the fight you are waging against the bonus. It is the most brazen piece of vote getting legislation ever attempted."

"I am enclosing an editorial of THE NEW YORK HERALD which may have escaped your attention. I have failed to see your name among the Congressmen opposed to the soldiers' bonus. I wish to express to you my protest of this community against such high hand business."

BONUS IS ATTACKED BY HARDWARE MEN

Association Favors Aid for the Disabled.

PHILADELPHIA, Feb. 17.—Resolutions disapproving the proposed soldiers' bonus and favoring the American valuation as the basis for the assessment of ad valorem duties on importations of foreign merchandise were adopted by the Pennsylvania and Atlantic Seaboard Hardware Association in the annual convention to-day. The association favored Government aid to incapacitated ex-service men, but registered its disapproval of the bonus "because of financial conditions."

Their resolutions urged members of the association to reduce prices as rapidly as possible and asked that lower freight rates be put into effect by the railroads immediately.

Ernest Johansson, Baltimore, was elected president; S. E. Jones, Pittsburgh, secretary, and Charles W. Scarborough, Pittsburgh, treasurer.

FOUND ANYTHING?

If so, see it in the Herald. The Lost and Found columns of to-day's New York Herald. See page opposite editorial—Ado.

REGULARS OPPOSE SOLDIERS' BONUS

Men Entitled to Share Declare That There Is No Valid Claim.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Feb. 17.

Inquiries among Regular Army men and in naval and Marine Corps circles, developed the fact to-day that the regular services of the country are largely opposed to the bonus raid on the Treasury.

Many of the men in the regular services who were questioned are members of the American Legion. All say service in the late war and would be entitled to the bonus up to and including the grade of captain in the army and Marine Corps and lieutenants in the navy.

In their opinion the demand for a bonus does not represent the viewpoint of the great body of the membership of the American Legion, but is the result of political agitation. They recognize that the service men naturally would accept the bonus if granted, but do not place the stress upon it that timid politicians and out of Congress believe.

Representative service men in the regular establishments declare they see in the present bonus agitation a vicious shadow upon the time for service in the past and a stain upon the honor of the nation which actuated the nation both before and during the war. They contrast it with the spirit which prompted men to give their time for service in the training camps and which resulted in building up the huge army in the face of the lack of preparedness which preceded the war.

Ex-service men, they point out, feel irritated because while they were serving in the ranks men in shipyards and other industries were receiving supposedly higher wages.

In spite of this view the regular service men believe the ex-service men will realize that by accepting the bonus they will be sacrificing the place of advantage they occupy in the public estimation because of disparity in the remuneration, often more imaginary than real. For the ex-service men would be to exchange their proud heritage for a mass of potage."

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LEGION COMMITTEE BARS A REFERENDUM

New York Body Is Denied Vote on Bonus.

The New York County Committee of the American Legion decided last night not to grant the request of the City Club of New York post that a referendum on the ex-service men's bonus question be taken. A motion that the secretary of the county committee write the City Club post to this effect and that the latter organization's letter contain the request had been filed was carried, 48 to 28.

There was much discussion, principally by those opposed to acceding to the referendum suggestion concerning the method of rejecting the idea. There was never any chance of the City Club post's request being granted. The perplexing question appeared to be that of denying the request in a manner that would carry with it no suggestion that the American Legion in New York county was dodging the issue because it feared the outcome.

Richard T. Bell spoke of the majority vote as being a City Club post's request an unfair one.

"The letter from the City Club post," said Mr. Bell, "calls for a vote of paid up members. There is no question that a tremendous majority of paid up members would vote for the bonus, but one-fifth of the members are paid up. Therefore even if every one of these paid up members of the American Legion voted in favor of the bonus, the opponents of the bonus would cry aloud that but one-fifth of the membership of the City Club post, asked that some action be taken that he might report it to his organization. In the ensuing argument concerning methods of procedure, the question of the expense of a referendum was raised."

"We'll pay the expenses," shouted one delegate from the City Club post.

Harold A. Fontenot, opposing granting the referendum, saying that inasmuch as the bonus question was a national and not a local one, he considered it rather a waste of effort and more or less a waste of time to trouble and expense of a county plebiscite.

The City Club of New York post opposes the bonus and Mr. Gets declared before the meeting that no matter what action the county, State or national organization took, his post would continue to oppose the plan. He said that several other posts had taken the same stand, but there was no doubt that they formed a minority in the State.

OPPOSES STATUS FOR 'EMERGENCY' OFFICERS